

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TEXARKANA DIVISION**

|                              |   |                                    |
|------------------------------|---|------------------------------------|
| <b>IN RE:</b>                | ) |                                    |
|                              | ) |                                    |
| <b>TEXARKANA HOTELS, LLC</b> | ) | <b>CASE NO. 16-50056</b>           |
|                              | ) | <b>CHAPTER 11</b>                  |
|                              | ) |                                    |
| <b>DEBTOR</b>                | ) | <b>EMERGENCY HEARING REQUESTED</b> |

**EMERGENCY MOTION AUTHORIZING USE OF  
CASH COLLATERAL OF MID SOUTH BANK, N. A.**

Texarkana Hotels, LLC, Debtor-In-Possession (the "Debtor"), files this Emergency Motion for Authority to Use Cash Collateral pursuant to 11 U.S.C. §363 and for cause would show the Court as follows:

1. On March 31, 2016, Debtor filed a Petition for Relief under Chapter 11 of the United States Bankruptcy Code and continues to maintain possession of its property and operate its business as debtor-in-possession. No examiner has been appointed, and no official committee of unsecured creditors has yet been formed.

2. Prior to the commencement of this case, Debtor executed Promissory Notes, Security Agreements and Deeds of Trust with Mid South Bank, N.A. (hereinafter referred to as "Mid South").

3. The loans are as follows:

a. Loan documents dated February 13, 2012, in the principal amounts of \$2,500,000.00 ("Note 1") and \$7,500,000.00 ("Note 2"), secured by certain personal property and certain real property of Debtor used in the building and operation of the Holiday Inn Texarkana Arkansas Convention Center located at 5200 Convention Plaza Dr., Texarkana, Miller County, Arkansas.

4. All cash and cash equivalents of the Debtor as of the petition date, and all post-petition cash and cash equivalents of the Debtor and its estate that are believed to be proceeds of pre-petition collateral subject to the security interest and liens of Mid South pursuant to 522(b) of the Bankruptcy Code, constitute Cash (the "cash collateral") pursuant to Section 363(a) of the Bankruptcy Code.

5. To secure payment of the obligations owing pursuant to the Loans, Debtor granted liens and security interests in the real property, personal property, equipment, inventory, contract rights, accounts and any proceeds or product of this collateral.

6. As of March 31, 2016, the total principal indebtedness owing by Debtor on the above loans was approximately \$2,480,041.00 on Note 1 and \$7,411,430.00 on Note 2 for a total of \$9,891,471.00, together with interest and all other charges.

7. Prior to the commencement of this bankruptcy case and during the pendency of this case, Debtor has been engaged in the business of operating a 127 room hotel and connected convention center. At the present time, it is imperative that Debtor obtains authority from this Court, in accordance with 11 U.S.C. §363 (c)(2)(B), to use cash collateral in order to maintain its business operation and protect its ability to reorganize in accordance with Chapter 11 of the Bankruptcy Code.

8. Mid South has not consented to the Debtor's use of cash collateral.

9. In accordance with §363 (b)(2)(B) of the Code, Debtor requests that this Court authorize and approve Debtors' use of cash collateral for the payment of its operating expenses as set forth in the budget attached hereto as Exhibit "A". In order to remain in possession of its property and continue its business activity in an effort to achieve successful reorganization, Debtor must be permitted to use cash collateral in its ordinary business operations. Debtor currently has no present alternative borrowing source from which Debtor could secure additional funding to operate its business.

10. Specifically, Debtor requires the use of cash collateral for the payment of certain operating expenses as set forth on the Budget attached hereto as Exhibit "A". Debtor believes the expenses listed on the Budget are reasonable and necessary business expenses which must be paid in order to continue in Debtors' business.

11. In an effort to adequately protect the interests of Mid South in the pre-petition collateral for the Debtors' use of cash collateral as requested in this Motion, Debtor is offering to provide Mid South with replacement liens pursuant to and in accordance with 11 U.S.C. §361(2), in and to all accounts receivable and inventory of the kind presently securing the indebtedness owing to Mid South (the post-petition collateral") purchased or acquired with the cash collateral of Mid South, as well as an adequate protection payment shown on the budget attached hereto as Exhibit "A".

12. Good cause has been shown for this Motion. In the event this Court does not authorize Debtor's use of cash collateral, Debtor believes it will be unable to maintain its current business operations and propose a plan of reorganization as contemplated by the Bankruptcy Code. Without the use of cash collateral, Debtor will be seriously and irreparably harmed, resulting in significant losses to Debtor's estate and its creditors.

13. Mid South is providing Debtor's counsel with all loan documents including an Assignment of Leases and Rents for review prior to any hearing hereon for verification that Mid South holds valid, perfected or enforceable pre-petition liens and security interests in and to any of the pre-petition collateral.

WHEREFORE Debtor requests that this Court enter an order pursuant to 11 U.S.C. §363(c)(2)(B) authorizing Debtor to use cash collateral for its general ongoing business operations as described in this Motion and Budget attached hereto as Exhibit "A", and for such other and further relief as may be proper and just.

DATED: April 1, 2016

Respectfully submitted,

THE MOORE LAW FIRM, L.L.P.

/s/ Bill F. Payne  
BILL F. PAYNE, SBN 15649500  
100 North Main Street  
Paris, Texas 75460  
Telephone 903-784-4393 or 972-628-4901  
Facsimile 930-785-0312

Proposed Attorney for Debtor

**CERTIFICATE OF SERVICE**

I, Bill F. Payne, do hereby certify that a true and correct copy of the foregoing Motion for Authority to Use Cash Collateral was sent by electronic transmission or mailed by first class mail, postage pre-paid, to the U. S. Trustee's Office, 110 N. College, Suite 300, Tyler, Texas 75702, to Scott Ritcheson, attorney for Mid South Bank N.A. at scottr@rllawfirm.net and to all parties on the attached matrix on April 1, 2016.

/s/ Bill F. Payne  
Bill F. Payne

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|--|---|---|
| Label Matrix for local noticing<br>0540-5<br>Case 16-50056<br>Eastern District of Texas<br>Texarkana<br>Fri Apr 1 14:49:32 CDT 2016  | Attorney General of Texas<br>Box 12548, Capital Station<br>Austin, Texas 78711-2548   | City of Texarkana Arkansas<br>P O Box 2711<br>Attention Tax Collector<br>Texarkana, AR 75504-2711                         |
| IHG<br>Jennifer Martin - Franchise Licensing &<br>Three Ravina Drive, Suite 100<br>Atlanta, GA 30346-2121                            | Internal Revenue Service<br>P. O. Box 7346<br>Philadelphia, Pennsylvania 19101-7346   | M&T Mitigation and Restoration, LLC<br>d/b/a Servpro of Texarkana<br>P. O. Box 60780<br>Texarkana, TX 75505               |
| Mid South Bank, N.A.<br>P. O. Box 3745<br>Lafayette, LA 70502-3745   | Miller County Tax A/C<br>400 Laurel St. Ste 111<br>Texarkana, AR 71854-5245   | Bill F. Payne<br>100 North Main Street<br>Paris, TX 75460-4222  |
| Robert S. McGinnis, Jr.<br>4102 Summerhill Road<br>Texarkana, Texas 75503-2732   | Shawn Morgan<br>Attorney for Servpro<br>5301 Summerhill Road<br>Texarkana, TX 75503-1827  | Six Continents Hotels, Inc.<br>Franchise Licensing and Compliance<br>Three Ravinia Dr., Ste 100<br>Atlanta, GA 30346-2121 |
| Texarkana Hotels, LLC<br>2910 Harrisburg Lane<br>Texarkana, TX 75503-4501  | (p) TEXAS COMPTROLLER OF PUBLIC ACCOUNTS<br>REVENUE ACCOUNTING DIV - BANKRUPTCY SECTION<br>PO BOX 13528<br>AUSTIN TX 78711-3528 | Texas Workforce Commission<br>TWC Bldg - Tax Dept.<br>Austin, Texas 78778-0001  |
| U.S. Attorney General<br>Department of Justice<br>Main Justice Building<br>10th & Constitution Ave., NW<br>Washington, DC 20530-0001 | US Trustee<br>Office of the U.S. Trustee<br>110 N. College Ave.<br>Suite 300<br>Tyler, TX 75702-7231                            | USDA Rural Development<br>700 W. Capital<br>Federal Bldg, Rm 3416<br>Little Rock, AR 72201-3215                           |
| Wells Fargo Bank<br>Business Visa Card<br>P O Box 6426<br>Carol Stream, IL 60197-6426  |   |   |

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified  
by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

|                                      |                     |    |
|--------------------------------------|---------------------|----|
| Texas Comptroller of Public Accounts | End of Label Matrix |    |
| PO Box 13528                         | Mailable recipients | 18 |
| Austin, Texas 77811-3528             | Bypassed recipients | 0  |
|                                      | Total               | 18 |